



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed August 23, 2024

  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	Case No. 19-34054-SGJ-11
HIGHLAND CAPITAL MANAGEMENT,	§	
L.P.,	§	
	§	
Debtor.	§	
HIGHLAND CAPITAL MANAGEMENT,	§	
L.P.,	§	
	§	
Movant,	§	
	§	
v.	§	Contested Matter
	§	
NEXPOINT REAL ESTATE PARTNERS,	§	
LLC, F/K/A HCRE PARTNERS, LLC,	§	
	§	
Respondent.	§	
	§	
	§	
	§	

**ORDER APPROVING STIPULATION TO PAY JUDGMENT INTO THE REGISTRY  
OF THE COURT AND STAY OF EXECUTION PENDING APPEAL**

Having considered the *Joint Agreed Motion for Order Approving Stipulation to Pay Judgment into the Registry of the Court and Stay of Execution Pending Appeal*, and *Stipulation of the Parties Regarding Stay of Execution Pending Appeal and Related Relief* (the “Stipulation”) filed by Highland Capital Management, L.P. (“HCMLP” or “Plaintiff”) and NexPoint Real Estate Partners, LLC (f/k/a HCRE Partners, LLC) (“NREP”) (together, the “Parties”), it is **HEREBY ORDDERED THAT:**

1. The Joint Stipulation attached hereto as Exhibit A is APPROVED;
2. Execution of the Sanctions Order [Dkt. 4039] is stayed until the Sanctions Order becomes final and no longer subject to further appeal; and
3. Payment by NREP of the full amount of the sanctions award, plus post-judgment interest as provided for in the Stipulation, into the Registry of the Court pending the entry of the final, non-appealable order resolving the Sanctions Order is APPROVED.

### End Order ###

# EXHIBIT A

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(f/k/a HCRE Partners, LLC)*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

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	§	
Movant,	§	
	§	Contested Matter
v.	§	
	§	
NEXPOINT REAL ESTATE PARTNERS,	§	
LLC, F/K/A HCRE PARTNERS, LLC,	§	
	§	
Respondent.	§	
	§	
	§	

**STIPULATION OF THE PARTIES REGARDING STAY OF EXECUTION PENDING  
APPEAL AND RELATED RELIEF**

This Stipulation is entered into by and between Highland Capital Management, L.P. (“HCMLP”) and NexPoint Real Estate Partners LLC (f/k/a HCRE Partners, LLC) (“NREP”) in connection with the Bankruptcy Court’s *Memorandum Opinion and Order Granting Highland Capital Management, L.P.’s Motion for (A) Bad Faith Finding, and (B) Attorneys’ Fees Against NexPoint Real Estate Partners, LLC (f/k/a HCRE Partners, LLC) in Connection with Proof of Claim # 146*, issued on March 5, 2024 (the “Sanctions Order”) (Dkt. 4039).

**RECITALS**

**WHEREAS**, Highland filed a *Motion for (A) Bad Faith Finding and (B) Attorneys’ Fees Against NexPoint Real Estate Partners LLC (f/k/a HCRE Partners, LLC) in Connection with Proof of Claim # 146* (“Bad Faith Motion”) (Dkt. 3851);

**WHEREAS**, on March 5, 2024 (the “Judgment Date”), the Bankruptcy Court issued the Sanctions Order granting the Bad Faith Motion and awarding Highland sanctions in the amount of \$825,940.55 (the “Sanctions Order Amount”) (Dkt. 4039);

**WHEREAS**, the United States District Court for Northern District of Texas (“District Court”) Federal Judgment Rate on the Judgment Date was 5% (the “FJR Rate”);

**WHEREAS**, NREP filed a *Motion for Relief from Order* seeking reconsideration of the Court’s Sanctions Order (Dkts. 4040 and 4041);

**WHEREAS**, the Court denied NREP’s *Motion for Relief from Order* on May 21, 2024 (Dkt. 4069);

**WHEREAS**, NREP filed its notice of appeal of the Bankruptcy Court’s Sanctions Order on March 18, 2024 (Dkt. 4042) and filed an amended notice of appeal on June 4, 2024 (Dkt. 4074);

**WHEREAS**, NREP’s appeal of the Sanctions Order is currently pending before the

District Court; and

**WHEREAS**, subject to the terms of this Stipulation and the Bankruptcy Court’s approval, counsel for NREP and Highland have conferred in good faith and agreed to a stay of the execution of the Sanctions Order pending the exhaustion of NREP’s appeals of the Sanctions Order on the condition that NREP deposit the full the Sanctions Order Amount plus interest at the FJR Rate into the registry of the District Court pending appeal.

### **STIPULATION**

**NOW THEREFORE**, in consideration of the agreement of the Parties and the mutual promises made herein, the Parties hereby agree to stay the execution of the Sanctions Order until the exhaustion of NREP’s appeals relating to that Order on the following conditions:

1. On August 23, 2024 (the “Deposit Date”), to secure Highland’s right to recovery under the Sanctions Order, NREP shall pay the Sanctions Order Amount plus interest at the FJR Rate from the Judgment Date to the Deposit Date, totaling \$845,287.91 cash, into the interest bearing account at the Registry of the District Court (the “Initial Security Deposit”). A copy of this stipulation will be provided to the Registry of the District Court, and the account references with respect to the Initial Security Deposit shall identify Highland as a beneficiary of the account.
2. If the cash security interest rate available at the Registry of the District Court is less than the FJR Rate, NREP shall post additional cash security in the amount of the dollar difference between the cash security interest rate payable at the Registry of the District Court (as applied to the Judgments) and the FJR Rate (“Top-Up Interest”). Top-Up Interest must be deposited with the Registry of the District Court and added to the Cash Security within four business days of the first business day of each calendar quarter beginning

January 1, 2025.

3. The Initial Security Deposit, the Top-Up Amounts, if any, and all interest earned on the Initial Security Deposit and the Top-Up Amounts at the Registry of the District Court shall be aggregated and held together as a single account at the Registry of the District Court as security in the exclusive favor of Highland with respect to its right of collection of all amounts due Highland under the Sanctions Order, plus interest at the FJR Rate, after exhaustion of NREP's appeals of the Sanctions Order.
4. No amounts comprising the Initial Security Deposit, the Top-Up Amounts, or any interest thereon may be removed from the Registry of the District Court prior to exhaustion of NREP's appeals of the Sanctions Order and satisfaction of all amounts owed under the Sanctions Order after exhaustion of such appeals. The amounts on deposit at the Registry of the District Court shall be used to satisfy the amounts owed under the Sanctions Order after any such appeals are exhausted.
5. The parties agree that immediately upon execution this Stipulation shall be submitted to the Bankruptcy Court as a stipulation to be entered as an order in the Highland bankruptcy case.

*[Remainder of Page Intentionally Left Blank]*

Dated: August 22, 2024

Respectfully Submitted,

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FELDBERG LLP

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-and-

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*Attorneys for Highland Capital Management, L.P.*

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on August 22, 2024, a true and correct copy of this document was served electronically via the Court's CM/ECF system to the parties registered or otherwise entitled to receive electronic notices in this case.

/s/ Amy L. Ruhland

Amy L. Ruhland